

DDA 76-4198

MEMORANDUM FOR: Deputy to the DCI for the Intelligence
Community

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Assessment of Impact of Recent Events
on U.S. Intelligence

REFERENCE : Your note dated 16 August 1976, same
subject

I have reviewed referenced study and can only second the opinions of others that it is indeed a very good collation and summary of the impact that has been made on the effectiveness of the U.S. intelligence effort by the events of the last two years. There are, however, two specific comments that I would like to make. They are:

a. I am very pleased to note from my review of the paper that an objective official who is not involved in the day-to-day response to the requirements of the Freedom of Information Act and the Privacy Act has focused on this subject in the manner reflected in paragraph 3 on page 12. The point made in this part of the memorandum -- namely, that our extreme FOIA/Privacy problems result not primarily from the laws themselves but rather from the fact that they are a tool that can be used and abused in connection with revelations made through other sources -- is an extremely significant point on which few people have focused.

There is abroad in the Agency, at the moment, a feeling that FOIA and Privacy are primary enemies of our mission, and that they should be fought on that basis. I do not believe this is the case. Had not circumstances and, quite frankly, our past behavior caused the Congressional and Executive investigations of the Agency, the effective dates of both the Freedom of Information Act and the Privacy Act would have passed with barely a ripple within the Agency. I feel strongly that these two laws are reflective of the will of the people of our country and that opposition to what they

STAT represent must be based on solid and provable concepts of national security. Our experience with the laws has demonstrated to my satisfaction that we can protect secrets which truly warrant protection. I do not subscribe to those statements which characterize FOIA and Privacy as major threats to this Agency's ability for continued effective performance. Let us be frank and honest with ourselves. What [] has pointed out in his memorandum is absolutely correct. The unexpected heavy costs of responding to numerous FOIA requests with which we have agonized are, indeed, a direct result of other revelations which have stimulated the public to utilize the channels that these new laws afford. Were it not for the questionable activities, which in turn stimulated the investigations, which in turn titillated the public, I am convinced that this Agency could live comfortably with the requirements posed by these two laws. It is quite fashionable at the moment to blame these laws for our troubles. However, once again being honest with ourselves, the facts state that these laws have primarily caused us administrative burdens and high costs as regards implementation. They have not been a significant source for revelation of CIA secrets which, in all honesty, warrant protection.

b. As stated earlier, the referenced paper is a fine presentation of the effect that revelations have had on our activities. I would only urge that in further utilization of this paper all concerned bear in mind the extent to which it confirms that we have been damaged. I do not believe that it would serve the best interests of our country to have the totality of this damage placed in the public domain.

STATINTL

John F. Blake

AI/DDA: [] ydc (23 August 1976)

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INTELLIGENCE COMMUNITY STAFF

Approved For Release 2003/12/16 : CIA-RDP79-00498A000600110009-4

DDA

16 August 1976

NOTE FOR MORNING MEETING PRINCIPALS

FROM :
D/DCI/IC

SUBJECT: Assessment of Impact of Recent
Events on U.S. Intelligence

Attached is a copy of an informal paper, "Impact of Recent Public Disclosures and Related Developments on Effectiveness of the U.S. Foreign Intelligence Effort," which was prepared in ICS in response to an oral request from the Deputy Assistant to the President for National Security Affairs.

The request was for an informal paper, not an officially coordinated Community document. Comments were obtained from Chairmen of several DCI Committees and from individuals in OSD, INR, and CIA, but the paper itself was not coordinated with any organization.

The DCI has approved the paper for dispatch to Mr. Hyland.

Your comments are invited, since it may be there are additional uses for a paper of this nature.

Signed

Attachment:
as stated

ACTION

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12 August 1976

MEMORANDUM FOR: Director of Central Intelligence

FROM : John N. McMahon
Acting Deputy to the DCI for the
Intelligence Community

SUBJECT : Assessment of Impact of Recent Events on U.S.
Intelligence

1. Attached is a copy of a paper, "Impact of Recent Public Disclosures and Related Developments on Effectiveness of the U.S. Foreign Intelligence Effort," which has been prepared in response to an oral request from the Deputy Assistant to the President for National Security Affairs.

2. Sam Hoskinson, who levied the request [redacted] for this paper, indicated that he was not sure how it would be used until we know the results of the assessment. He did say that the Vice President was particularly interested in the subject matter, as are, of course, the members of the PFIAB.

3. [redacted] informally contacted chairmen of several DCI Committees (SIGINT, COMIREX, HRC and Security), and individuals in OSD, INR, and CIA, but the attached draft has not been officially coordinated with anyone.

4. Because we were uncertain as to how this paper might be used, [redacted] pulled these facts together in a low-key manner. Although there are certain aspects of it which are indeed sensitive and revealing, I think it would be most useful if you had the benefit of the observations and comments regarding it from the morning meeting members. I have taken the liberty of providing

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Hank Knoche with a copy and, if you approve, will have it delivered to [redacted]

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[redacted]

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John N. McMahon

cc: DDCI

Attachment:
As stated

APPROVED:

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Director of Central Intelligence

8-15-76
Date

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Covering memo revised:
JNMcMahon:mob/ [redacted]

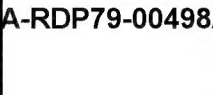
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IMPACT OF RECENT PUBLIC DISCLOSURES AND RELATED DEVELOPMENTS
ON EFFECTIVENESS OF THE U.S. FOREIGN INTELLIGENCE EFFORT

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IMPACT OF RECENT PUBLIC DISCLOSURES AND RELATED DEVELOPMENTS ON EFFECTIVENESS OF THE U.S. FOREIGN INTELLIGENCE EFFORT

I. INTRODUCTION

1. The assessment presented in this paper responds to an informal request from the National Security Council Staff for a summation of how the various events of the past 18 months, in particular the public disclosures resulting from Congressional investigations, unauthorized "leaks," and new restrictions on intelligence activities, have affected the conduct and effectiveness of U.S. foreign intelligence activities. The paper is a generalized summation and not an exhaustive review.

2. The focus is primarily upon the adverse, or potentially adverse impact of recent developments.

3. The positive impacts, such as those expected to result from Executive Order 11905, are longer range in nature, and it is not yet possible to assess what their full effect will be. Positive impacts are expected to result, however, from actions taken to strengthen both Executive Branch and Congressional oversight, to expand the Intelligence Community leadership role of the Director of Central Intelligence, to improve guidance as to intelligence needs from policy levels of the Government, to focus increased attention on the management of intelligence activities, and to heighten consciousness of the need for continuing attention to the Constitutional and statutory rights of American citizens.

4. Some of the adverse effects which can be identified as having directly affected intelligence effectiveness will have an even greater long-range effect than is presently discerned if the causative factors continue. The damage which has been done to the morale and incentives of considerable numbers of professional intelligence officers falls into this category.

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5. It should be noted, also, that the adverse effects which can be identified are not limited entirely to an impact on intelligence activities. Results also can be seen in official and unofficial attitudes toward the United States in general and in overseas relationships with U.S. official personnel who are not engaged in intelligence activities.

6. The discussion which follows focuses attention on areas in which linkage can be identified between the public disclosures of U.S. intelligence activities and a reaction to such disclosures. The topics include: international reactions, covert action, intelligence collection, intelligence production, court litigation and legal questions, and morale and motivation of intelligence personnel.

7. An earlier summation, "The Results of Intelligence Leaks," dated 9 February 1976, which was provided to the White House Staff, is attached at Tab A.

II. DISCUSSION

A. INTERNATIONAL REACTIONS

25X1 1. Foreign reverberations resulting from public criticisms and disclosures of U.S. intelligence activities during the past 18 months seem to have been greatest in the new and insecure countries of Africa, less in most of the rest of the Third World (except for [redacted]), and still less in the highly developed industrial countries.

2. In the broadest terms, the disclosures seem to have had the effect of creating an image of the U.S. as a confused, self-destructive, somewhat undependable country, relations with which could be subject to a number of unpredictable and uncontrollable factors. This appears to have led to a general increase in cynicism about the U.S., its foreign policy, the constancy of its purpose, and the reliability of its secrecy. Countries which have been suspicious of the United States and its motives have had those suspicions strengthened. Countries friendly to the U.S. have been dismayed and forced in some cases to reassess their level of cooperation. While, in general, day-to-day transactions in overseas U.S. missions seem not to have been much affected, there is concern that the long-range effect of increased distrust, cynicism and caution in dealing with the U.S. could get in the way of any new departures in foreign policy. There are indications that the credibility of U.S. leadership has been undermined in many areas of the world and the respect, if not admiration, in which the United States has been held has been reduced.

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3. A second impact stems from a somewhat lowered willingness of consultants and research organizations to work with intelligence organizations.

a. The use of academic personnel, for instance, has in the past proved valuable in specialized areas of intelligence analysis, but the Church Committee criticism of "clandestine" CIA relationships with academia is adversely affecting the willingness of some university personnel to continue or enter into any association with intelligence analysis.

b. Some universities have refused to undertake research sponsored by the CIA even though it is unclassified. One contractor has cancelled a follow-on research effort and other contractors are manifesting a "nervousness" about their relationship with intelligence projects which might well impair their productivity.

4. The publication by Representative Pike's committee of post-mortems which were internally generated self-criticisms produced by the Intelligence Community has put in question the desirability of such formal reviews as a means of improving intelligence products and, in particular, intelligence performance in crisis situations. There is concern in some quarters that since written post-mortems almost inevitably involve use of sensitive information they should be avoided if there persists a climate in which the post-mortems will be publicly disclosed.

E. COURT LITIGATION AND LEGAL QUESTIONS

1. Revelations of the Rockefeller Commission and the Congressional Committees have stimulated a large number of court actions, responding to which involves considerable administrative drain in man-hours and dollars. The CIA alone is faced with an average of two lawsuits per day under the Freedom of Information Act, most of which are instituted in response to the investigations.

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2. Unprecedented civil actions against the National Security Agency threaten the exposure of information which could diminish the ability of the NSA to acquire some kinds of information [REDACTED]

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3. Much of the unexpectedly heavy costs of responding to numerous FOIA requests throughout the Intelligence Community evidently stems directly from the stimulation of FOIA actions by public disclosures in the Congressional investigations.

4. Another result of the investigations has been the surfacing of a myriad of issues concerning whether a particular intelligence activity is legal under the new rules set forth in E.O. 11905. All of these matters will be settled in time, but meanwhile actions are being delayed and programs deferred pending legal opinions. The climate is such that lawyers are being asked to study proposals not because they are considered possibly illegal or improper, but because they might conceivably be subject to public or legal criticism at some time in the future.

F. MORALE AND MOTIVATION

1. Measurement of morale and personal motivation is difficult and involves subjective judgments so it is not surprising there are fairly wide differences of opinion as to the impact which recent events have had on professional intelligence officers. There are those within the Intelligence Community who feel the public battering which agencies such as CIA and NSA have taken will strengthen the personal motivation of personnel because of their confidence in the importance of what they are doing. There are many others, however, who are deeply concerned with what they view as a marked lowering of morale and motivation which bodes ill for the future unless the operating climate changes. They see a need for a reversal of the "goldfish bowl" concept which encourages exposure of sensitive intelligence activities and for a need to judge intelligence actions which are now history, and which were undertaken under a far different national environment, in terms of their times rather than solely in terms of today's environment.

2. Central to these concerns are the public image of intelligence, and what is looked upon in some circles as an anti-intelligence attitude in influential elements of the public media.

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3. There is considerable worry as to the consequences over time of a lowering of the confidence of American citizens in the U.S. intelligence effort.

4. As Director Colby stated in his talk between the New York Council of the Navy League of the United States on 20 October 1975:

"...when an operation that involved three agents is proclaimed as 'massive'; when the normal detail of CIA employees to other Government agencies is called 'infiltration'; when an Army vulnerability study of the New York subway is ascribed to CIA plotting because one of our officers read the report; or when conspiracy theorists mouth CIA complicity in the assassination of President Kennedy despite flat denials, then the American people are understandably troubled. They can wonder whether their intelligence service is more a peril than a protector."

5. One of the major problem areas, as intelligence officers view it, is that important elements of the public media appear to consider that any criticism of intelligence activities, and particularly criticism of CIA and NSA, is news, but that a rebuttal to charges, however unfounded, is far less newsworthy. Newsmen may well have noted that "exposure" of intelligence activities wins headlines and bylines. While intelligence officers are concerned as to what they regard as unwarranted exposure of classified information. They are equally concerned over what they view as "one sided" criticism.

6. This is a situation to which intelligence officers have sought to adjust, but it can hardly be denied that in many instances morale and motivation have suffered and there has been an inhibiting effect on both the planning and execution of intelligence activities.

7. Many intelligence officers consider that innovative approaches to difficult problems have been the hallmark of their profession, and some officers now consider there is a clear risk that offices which in the past have taken pride in devising new approaches may tend toward becoming staid old-line bureaucracies concerned about avoiding any possibility of public criticism.

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8. It may well be that some intelligence officers have over-reacted to recent developments, but even if it is over reaction, it has to be taken into account..

9. The CIA Clandestine Service was subjected to heavy criticism, particularly in the Senate Select Committee publications, and the following summation of the situation, prepared within the CIA Operations Directorate is revealing:

"Perhaps the most hazardous impact of the adverse events of the last two years has been the intangible effect on our activities of the worsening morale of our employees. In a word, the universally high sense of purpose and faith in the future that we shared have been profoundly shaken. Sustained investigations trumpeting our indiscretions to the world and relentless vilification of the Clandestine Service in the media have inevitably undermined the confidence of our thoughtful officers.

"Bewilderment has turned to a pervasive deep resentment at one-sided efforts to portray our actions, many of which were undertaken in more threatening international environments, as lacking in judgment and as being counterproductive, if not essentially illegal. For many, the hope that permanent damage to the esprit and ability of the Clandestine Service could be averted has given way to despair, and the new cavalier approach to secrecy has become increasingly fashionable. It could hardly be otherwise, particularly for those who have spent most of their adult lives in the intelligence service, believing strongly that they were contributing directly to protecting this country from its most implacable enemies and not trying to undermine our constitutional government.

"As a result, talented experienced officers, tired of waiting for the pendulum to begin returning, have left. Junior employees wonder whether there is really a future in clandestine operations. Attitudes have become increasingly cautious and defensive. Initiative and imaginative new directions, so important in the unique espionage business, are being subtly discouraged.

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"In sum, the last 18 months of disclosures, leaks and new restrictions have had an adverse impact on the foreign intelligence activities of the Clandestine Service. But since human beings and such intangibles as confidence and trust are key ingredients in the process, measurement of the impact cannot be as precise as that which is possible when an industrial production line is stopped during a strike. Indeed, evidence of damage is likely to be substantially apparent only after the Clandestine Service has faced new collection or action challenges in a vastly modified atmosphere. The hope of every professional of the Service, of course, is that there will still be time to redress the damage."

10. There is considerable disagreement among senior intelligence personnel as to what the longer-term impact on morale and motivation will be. All are agreed that indication of public and Congressional recognition of the role of foreign intelligence activities will be important. There is recognition that a continued atmosphere of lowered public esteem and one-sided criticism cannot help but take its toll. There is worry that top-notch professionals may become increasingly reluctant to stay "in the business."

11. Even though the number of applications for employment at junior levels continues to be high, it will take some time to prove whether those being accepted will develop into intelligence experts of the type essential to sustain the future quality of the American intelligence effort. The economic situation undoubtedly has played a role in sustaining the numbers of new applications, but a low public esteem for intelligence could mitigate against retention of truly capable selectees for whose talents there is a market elsewhere.

III. CONCLUSIONS

1. Hard and fast conclusions cannot be drawn from the material presented in this report. Sufficient time has not elapsed to assess the longer-term favorable impacts which are expected to result from implementation of Executive Order 11905 and which proponents of the Congressional investigations

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would contend should result from those inquiries. Adverse impacts, some of which may prove to be short-term in nature, have been outlined in this paper. Risks remain that some of these adverse impacts could prove to be long-term as well.

2. There is reason to believe that effectiveness of the U.S. intelligence effort could be destroyed were there a long-time continuation of the atmosphere which prevailed through much of 1975.

3. A major question as regards the future is whether the anti-intelligence attitude evidenced in some of the public media retains its virulence or is modified by greater recognition of the national interest.

4. The times seem to be changing in encouraging ways. The new Senate Select Committee on Intelligence is entering into its activities in a responsible manner. The leadership of the Intelligence Community has reviewed what has happened and is responding. This leadership is forward looking and intent on improving the quality of the intelligence product and the effectiveness with which the various intelligence programs operate. The Intelligence Community is adjusting to the times.